

## **BID: Case Study of a Design Innovation Network Model in Thailand**

**Keywords:** Design Knowledge Transfer, Design Innovation Networks, Design Collaboration, Design Management, Industrial Design

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Thailand has started setting up industrial base to assist industrial sector in order to reduce importation since 1957 (Srisook, 2007). Since then, the Government has promoted skill labour and production technology. Thailand is known as a ‘cheap labour and quality production’ country (Srisook, 2007). This gives more opportunities for foreign investors and the Thai industrial sector for export. A majority of Thai manufacturers are own-equipment manufactures (OEMs). Since 1997, the manufacturing sector in Thailand has declined. One of the critical reasons was the slump of the country’s economy in 1997. Also, there are new emerging manufacturing-based countries, i.e. China, India and Vietnam that offer massive production labour and better manufacturing cost advantages. The Thai manufacturing sector cannot depend on the labour cost and quality production strategies to compete with these emerging countries. To survive and compete in both local and international market, it needs to find a new strategy.

Design has been promoted as a strategic development for the industrial sector in Thailand for almost 30 years. However, there has been no national design policy to guide the design directions for industry. The first design promotion unit, named Design Service Center (DSC) was established by the Department of Export Promotion, Ministry of Commerce in 1990. Its aim is to promote design as value-added for industrial products to increase the country’s exports. The Thai design industry is in the early stage in comparison with Japan and South Korea. There are many design organisations helping to create the Thai design industry and promote design as value creation and innovation for industry, i.e. design educations, governmental agencies, non-governmental design societies, design magazines, design consultancies, design knowledge centres and groups of professional designers. These organisations have been working to grow the design industry by the demonstration on how design can create strategic opportunities for brand, product, business and innovation.

To demonstrate the value of design for industry in Thailand, two main strategies have been widely used to transfer design knowledge: Outside-in and Inside-out. First, the outside-in strategy, the most popular and demanding one is to transfer design knowledge of successful design companies, centres and professions from abroad. This strategy includes the activities, such as seminars, exhibitions, talks, workshops and lectures. It mainly aims to target professional designers and manufacturers in order to transfer best practices in design thinking, methods, process, strategy and management. The second is the inside-out strategy. It mainly aims to transfer design knowledge from design educations, professions and services to industry for the development of design outcomes within the country. The activities are, such as design competition, design-business matching and young designer workshop. The inside-out strategy tends to generate design and design innovation possibilities for new commercial opportunities.

This paper suggests a new model of design knowledge transferring for the inside-out strategy, entitled Bidding Innovation and Design (BID). BID is a new initiative, initiated by Design Management Track, School of Architecture and Design (SOAD), King Mongkut's Technology University Thonburi (KMUTT) in corporation with National Innovation Agency (NIA) in 2006. The aim of BID is to build up links between design educations and manufacturing industries or investors through the support mechanism of NIA and Design Management Track. It is argued that strengthening strategic innovation by design through the BID initiative enables industries to increase innovation capability and all participants to create design innovation networks.

BID is initiated from three existing conditions. First, there is an urgent need of an innovation strategy for the manufacturing industries to survive. Design is considered as an appropriate one, regarding the nature of the country's production and knowledge labours. Secondly, there is a surplus of the final year design projects of industrial design students that are created for their graduation every year. These design projects are viewed as commercial viabilities for new products and businesses. Thirdly, NIA, providing financial aids to support innovation activities for industries has recognised design as one of the key innovation strategy. The objectives of BID are as the following:

- To promote knowledge sharing among industrial design graduates, design educationists and manufacturing owners or investors.
- To encourage industry to invest on new product development by design
- To promote NIA's design policy to education and manufacturing industry
- To establish an design innovation network among design professionals, design education, manufacturing industries and NIA

This paper will elaborate the role of design management in planning and managing the initiative, the expected and unexpected benefits of all BID participants and lessons learnt from the first BID in 2006.

### **The Extended Summary**

Bidding Innovation and Design (BID) is a new initiative to transfer design knowledge and create design innovation networks in Thailand. The aim of BID is to build up links between design educations and manufacturing industries or investors through the financial support mechanism of National Innovation Agency (NIA) and the design management support from Design Management Track, School of Architecture and Design (SOAD), King Mongkut's University of Technology Thonburi (KMUTT). This paper elaborates the role of design management in planning and managing the BID initiative, the expected and unexpected benefits of all BID participants and lessons learnt from the first BID in 2006.

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